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EX PARTE OR LATE FILED

October 23,2002

NOTICE OF EX PARTE PRESEMATION

Ms. Marlene H. Dortch Secretary Federal **Communications** Commission 445 12th Street, SW, Room TW B204 **Weshington,** DC 20554

Re: Federal-State Joint Board on Universal Service

CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-200.95-116.98-170 and NSD File No. L-00-72

Dear Ms. Dortch:

The attached written Ex Pone Presentation concerning the above-referenced proceeding was sent to the Honorable Michael K Powell, by the undersigned on October 23,2002, on behalf of Palmetto Rural Telephone Cooperative In accordance with FCC Rule 1 1206(b)(1)¹, this Notice of Ex Parte Presentation and a copy of the referenced Ex Parte Presentation are beting filed with you electronically for inclusion in the public record Should you have any questions, please contact me at 843-538-2020

Sincerely.

HJ. Daodridge III
General Manager

cc: Commissioner Kathleen Q. Abemathy
Commissioner Mchael Copps
Commissioner Kevin Martin

¹ 47 C.F.R. § 1.1206(b)(1).

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EXPARTE PRESENTATION

Honorable Mchael K. Powell Chairman Federal Communications Commission 445 12* Street, SW, Room 8 B201 Washington, DC 20554

Re: Federal-State Joint Board on Universal Service, CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-200, 95-116, 98-170 and NSD File No. L-00-72;

Dear Chairman Powell:

I write to **you** on behalf of Palmetto Rural Telephone Cooperative to indicate support for the interim universal service contribution methodology proposed by the United States Telecom Association (USTA). Palmetto Rural Telephone Cooperative believes that adoption of the interim methodology will best ensure that sufficient universal **support** will continue to be available to eligible carriers. Palmetto Rural Telephone Cooperative urges the Federal Communications Commission (FCC) to continue to examine the creation of a long-term contribution methodology while the industry operates under the interim methodology.

The interim methodology should be based on interstate end-user revenues as a contribution base. The FCC should use a "collect and remit" system. Under this system carriers would remit payments based on the application of the USAC percentage to the interstate retail revenues actually collected. The FCC should mise the "safe harbor" contribution limit for wireless providers to 20-28 percent unless the wireless provider can determine its actual interstate retail revenue, and the safe harbor percentage should be applied to wireless providers on a company-wide basis. Competitive local exchange carriers (CLECs) should impute an amount equal to the subscriber line charge (SLC) assessed by the incumbent local exchange carrier (ILEC) in a CLEC's service area. CLECs should be provided with the option of reporting the imputation based on the actual SLC amount assessed by the ILEC or an amount equal to the nationwide SLC cap. All broadband and broadband service providers should contribute to universal service support on an equivalent basis. Finally, the FCC should impose a cap on the recovery of administrative, billing and overhead costs that contributors to universal service support programs are allowed to include in the universal service charge collected on customers' bills.

Honorable Mchael K. Powell **October 23,2002** Page 2

The interim contribution methodology is not a substitute for the principles and long-term connection-based proposal presented by **USTA** in its comments and reply comments filed in this proceeding on April 22, 2002, and **May 13,2002**, respectively. It is necessary, though, in order to allow the FCC more tune to address the **administrative and** legal concerns related to the methodologes currently under review

Sincerely,

H.J. Dandridge III General Manager

cc: Commissioner Kathleen Q. Abemathy Commissioner Mchael Copps

Commissioner Kevin Martin